

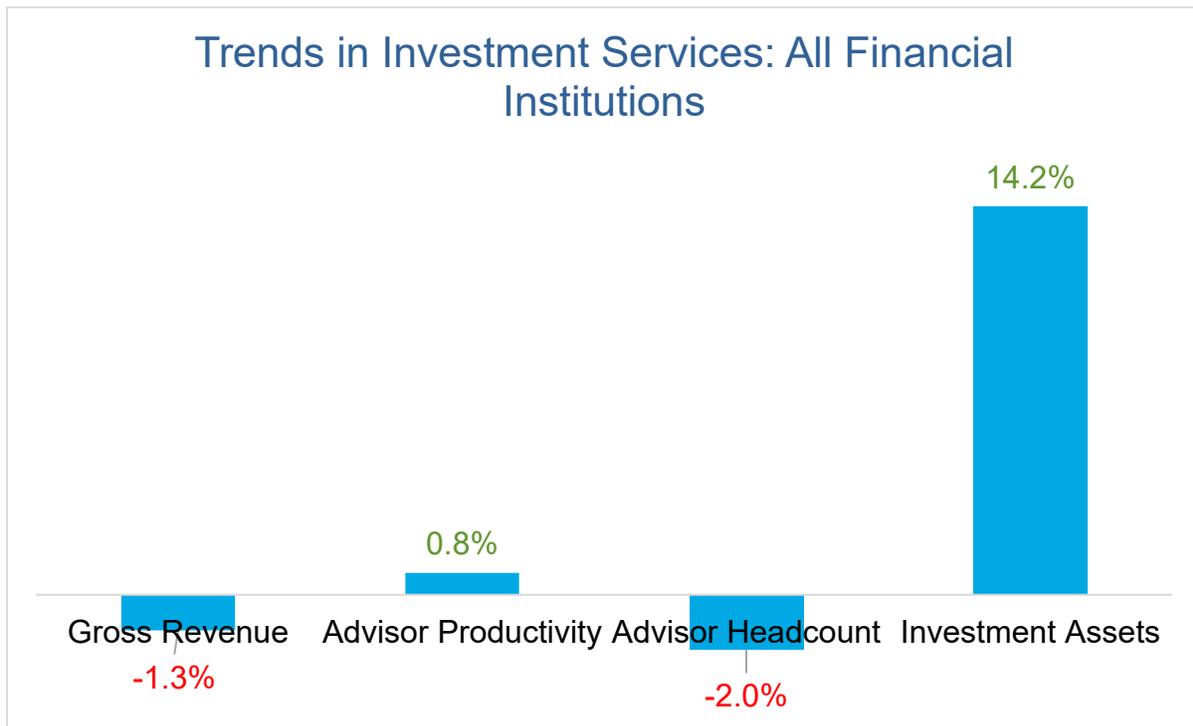
For Immediate Release:

Study Highlights Need to Increase Advisors After Growth in Investment Services Stalls for Financial Institutions

CHAPEL HILL, NC MARCH 4, 2020: According to the *2019-2020 Annual Industry Checkup*, investment services revenue in financial institutions slipped 1.3% in 2019, after experiencing robust growth of 9% in 2018. How can institutions capture more opportunity? Research points to hiring more advisors and investing in the institution's investment program.

Average revenue per advisor was up slightly, but that was primarily due to a decline of advisor headcount working in banks and credit unions. Headcount fell more than revenue. Advisor productivity had grown 11.5% in 2018.

Investment assets under administration grew 14.2% during 2019, boosted by the sharp increases in market valuations during the year. For example, the S&P 500 index was up 30% for the year.



Other key findings:

- Assets per advisor were up 17% to \$90.4 million, but the ROA on those assets dipped 10 basis points to 0.61%. A typical bank has captured only 6% of its customers' investible assets, so there is a large opportunity for asset growth.
- Advisor headcount was down 2%. The typical bank needs to double its advisor headcount to optimize its penetration of its customer opportunity.
- The number of banks offering investment services continues to shrink, but so does the universe of US banks, as the industry continues to consolidate. As a result, the share of banks offering investment services rose steadily for many years. But last year the percentage of banks providing financial advice fell for the second consecutive year.
- While the number of banks with investment services has fallen, those offering investments have generally gotten bigger. That trend has also stalled over the past two years.
- The number of credit unions offering investment services remained unchanged last year, following several years of expansion. But the number of credit unions is also shrinking through consolidation, so the proportion that sell investments continues to grow robustly.

The *Checkup* also deconstructs these metrics to compare business performance in the 41 major banks that own their own broker dealer and the almost 3,000 banks and credit unions that provide investment services in partnership with 3rd party broker dealers.

Since 2012, Kehrler Bielan has combined proprietary and industry data to provide an annual review of the health of the investment services industry in banks and credit unions. The data for the *2019/2020 Annual Industry Checkup* cover 2,202 of the banks and credit unions that provide investment services, which collectively manage 12,954 advisors. This year's *Checkup* is sponsored by Cetera Financial Institutions.

About Cetera Financial Group. Cetera Financial Group (Cetera) is a leading financial advice firm. It empowers the delivery of an Advice-Centric Experience® to individuals, families and businesses across the country through independent financial advisors as well as trusted tax professionals and banks and credit unions.

Comprehensive services include wealth management solutions, retirement plan solutions, advisory services, practice management support, innovative technology, marketing guidance, regulatory support, and market research.

Cetera Financial Group” refers to the network of independent retail firms encompassing, among others, Cetera Advisors LLC, Cetera Advisor Networks LLC, Cetera Investment Services LLC (marketed as Cetera Financial Institutions or Cetera Investors), Cetera Financial Specialists LLC, and First Allied Securities, Inc. All firms are members FINRA/SIPC.

Download your copy of the [*Annual Industry Checkup*](#).

About Kehrer Bielan Research & Consulting. KBR&C provides the financial advice industry with insights based on a melding of research and experience in managing the delivery of investment, insurance, and wealth management services. The firm provides performance assessment and benchmarking, human resource management and development, due diligence, consumer insights, and interpretation of industry trends through its original research, unbiased consulting, and peer study groups.

Please visit us at www.KehrerBielan.com or e-mail info@kehrerbielan.com for more information.